

**VERMONT RAIL COUNCIL
MINUTES OF MEETING
NATIONAL LIFE BUILDING
MONTPELIER, VERMONT
March 25, 2009**

MEMBERS PRESENT:

Scott Rogers (Chairman)
John Cook Rick Moulton
Dave Wulfson Dave Allaire
Carl Fowler Chris Andreasson
Charlie Moore Charles Hunter
Chris Martel Rep. Sonny Audette
Rep. Bill Aswad Joann Erenhouse

OTHERS PRESENT:

Robert Ide, VTrans Rail Operations Section
Charlie Miller, VTrans Rail Operations Section
Bob Atchinson, VTrans Rail Operations Section
Doug Zorzi, VTrans
Larry Donna, VTrans
Costa Pappis, VTrans
Karen Songhurst, VTrans
Susan Clark, VTrans
J. Jeffrey Munger, Senator Sanders Office
Ted Brady, Senator Leahy's Office
Paul Craven, Craven Mgmt.
John Wilson, Jacobs
Michael Desrochers, Jacobs Engineering
Mary Anne Michaels, VRS
Chris Parker, VRAN
Matt Levin, VCE
Roger Thompson, FHWA
Chris Jolly, FHWA
Tom Macaulay, Rutland Redevelopment Authority
Dave Crawford, Essex Junction Village Manager
Robin Pierce, Essex Junction Development Director
Sawyer Joecks, Village of Essex Junction
Scott Howland, Amtrak
Bill Hollister, Amtrak
Frank Rogers, PW Railroad
Daryl Benoit, CCMPO
Eleni Churchill, CCMPO
Michelle Boomhower, CCMPO
Steve Coomes, NECR
Douglas G. Low, NECR
Brittany Sinclair, Morris & Demag
RA Currier, NH Central Railroad
Pete Synder, citizen

1. Call to Order & Approval of Minutes

Robert Ide assumed the duties of chairman until the arrival of Scott Rogers. The meeting was called to order at 1:30 p.m. Introductions were made.

Approval of Minutes

February 4, 2009

MOTION by Rick Moulton, SECOND by Carl Fowler, to approve the 2/4/09 minutes as written.

DISCUSSION: Carl Fowler apologized for failing to send his memo on changes to the 1/9/09 minutes to staff.

VOTING: unanimous; motion carried.

2. Amtrak Report

Charlie Miller reported February ridership is holding on the Ethan Allen Express. The Vermonter is showing a 4.5% increase. There is a decrease in ridership nationally due to economic conditions across the country. Statistics show ridership is 6.7% ahead and revenue is 3.3% ahead for the year on the Ethan Allen Express. Ridership on the Vermonter is ahead 13.9% and revenues is ahead 17.9%. There was mention of the spike in ridership in January being attributed to people traveling to Washington, D.C. for the inauguration.

Amtrak is doing well with 96% on-time performance. Last month Amtrak had 98.5% on-time performance which is the best ever for Amtrak.

Carl Fowler commented ridership on the Acela Express was down 17% in February, but ridership on long distance trains continues to climb. Corridor services across the country are flat or decreasing.

Charlie Miller addressed state revenues and the subsidy to Amtrak. The current contract breaks out revenues and fuel costs. Fuel cost was projected using \$4.10 per gallon. Diesel fuel in December was \$1.59/gallon so the state experienced a savings. Also, there has been an increase in revenue. All revenue on the Vermonter (north of Springfield) and 85% of the revenue on the Ethan Allen Express (north of Albany) belongs to the state. A five percent increase was projected for both services, but the figures at this point are ahead.

Bill Hollister, Amtrak, noted February, 2008, was a leap year with an extra day in the month which makes the difference of 4% to 6% on revenue and ridership.

Robert Ide reported the Administration's position has softened and bus service is no longer being advocated to replace the Ethan Allen Express. The House is doing the budget with funding for two trains as currently configured.

3. Report on Rail Freight in Vermont

Charles Hunter, NECR, reported the Alburgh trestle work started in January. ECI is working on the project and will do the turnstile and automation. The rail grinder is out working. NECR business is down somewhat, especially in the last few weeks. Service has been decreased from seven days to six days. The train will go to Burlington when there are enough cars. The company is watching costs in order to continue making a profit for Rail America. The agreement is close to finish for bridge work, ties and rail to St. Albans. NECR will spend up to \$4 million in capital improvements. NECR is working with a gas supplier with an LP terminal in Montpelier (NECR is interested in a state partnership). The bridge north of Essex will be addressed in July/August. The geometry car has been requested, but has not yet arrived. Frank Rogers, PW Railroad, reported auto rack cars have transported automobiles (Subaru) by rail. It is hoped this will continue.

Carl Fowler asked about the connection to Palmer, MA. Mr. Hunter stated the main benefit would be passenger rail though there may be some benefit for stone transport.

There was mention of the recent STB approval of Pan Am Southern – Rail America and NECR on the Connecticut River line and moving the interchange to Miller's Falls. Pan Am runs to White River Jct./Brattleboro and could exchange in Massachusetts.

Dave Wulfson reported Vermont Rail Systems with Pan Am Southern in Hoosick Jct. is active and growing. There is rumor Pan Am Southern may be able to exchange traffic with Norfolk Southern. There is an interchange facility at Hoosick Jct. Overall business is holding steady for Vermont Rail Systems, said Mr. Wulfson, if not declined a bit. There is three day per week service on the Connecticut River line versus five days a week which is better for car fluidity and service on the line. Last year's surfacing work and clean up will be finished. Tie and welded rail installation is being done with VTrans. Bridge projects are moving forward. The Florence bridge replacement project (\$2.5 million) is in the final design stage and will be out to bid at the end of the year for construction in 2010. Business is down (OMYA, paper, auto, paint, construction), reiterated Mr. Wulfson. OMYA moved their headquarters out of state, but is still committed to the area. The EIS for the Middlebury rail spur is expected in the next six weeks. Other work by Vermont Rail Systems includes projects on the Green Mountain Railroad, Amtrak FRA grant on the CLP (Rutland to Whitehall), rail change out (complete), and working with VTrans on budgeting projects. Dave Wulfson mentioned the storage of empty rail cars and fuel cars on tracks throughout the country. Fuel cards will have a placard on them. Matt Levin offered to help with outreach to inform the general public about the storage of empty cars on tracks. Michelle Boomhower suggested an email be sent to Barb Farr at Vermont Emergency Management regarding the cars being stored on tracks.

Jeff Munger asked if the rail will be 286,000 pound capacity for OMYA with the bridge replacement. Dave Wulfson stated the rail from Rutland to Whitehall is 286,000 pound capacity, but not Rutland to Hoosick or Manchester to Hoosick.

4. Update on Washington County Economic Development Project

Dave Wulfson reported the transport of stone from Rock of Ages to points south is on hold. The railroad has provided pricing information to the interested company. The company is seeking uses for the large rocks to ship by rail, such as seawalls, ocean fronts, breakwaters, jetties.

5. Update on House Transportation Committee Recommendations on Transportation Budget

Rob Ide reported the rail budget for 2009 was \$16.8 million. The request this year is about \$20 million. The House added \$600,000 for Amtrak to include money for electronic ticket machines. Also added was purchase of continuous welded rail for the western corridor (\$4 million with \$3.2 million federal earmark and \$800,000 state funds paid via transportation bond). There is language in the bill regarding a detailed plan of projects and order to be done for a passenger train to Burlington. A study is underway and VTrans is working with consultants. The bill also contains language regarding an analysis of equipment necessary to run trains with state owned equipment. Recommendation is forthcoming in January, 2010. The stipulation of using Colorado Railcar equipment has been removed.

Carl Fowler noted there may be opportunity to coordinate with the Amtrak order of equipment. Mr. Fowler asked about the miles of continuous welded rail. Rob Ide stated eight miles will be installed on the western corridor north of Middlebury.

Chris Parker asked if the RIF loan can be used to purchase DMU cars. Mr. Ide confirmed the language change allows purchase from another vendor.

Jeff Munger commented what is needed is connection from Hoosick Jct. to Burlington. Dave Allaire commented Rutland is pleased with the addition(s) to the House bill and hopes VTrans will support the changes.

6. Update on Stimulus Package

Jeff Munger stressed passenger trains need to travel the entire length of the western corridor including the southern portion of the state. The stimulus package includes \$8 billion for high speed and inner-city passenger rail service. Vermont is to apply for some of this money (very competitive so a good application is essential). The criteria are similar to the grant done for NECR and CLP. The state and the railroads will have to contribute some funding. Some states have bonded for their portion of matching funds (California, Kansas, Minnesota). Projects must be finished even if there are cost overruns. There is concern about the western corridor funding being used elsewhere, stated Mr. Munger. Ted Brady urged communicating what the state is thinking with regard to funding (of the \$9.3 billion for rail \$1.3 billion is for Amtrak). The Amtrak Reauthorization bill has money for states with Amtrak service. There are capital grants. Targeted, focused applications are needed in order to secure funding. It is a very competitive environment. Rep. Audette urged the Congressional delegation to get the message to VTrans.

7. Potential Projects for Stimulus Funds

Charlie Miller reported the rules are the same as the previous grant application for NECR and CLP which required a demonstration of time improvements and efficient/effective service. Economic development issues and job creation have been added. The rules will be finalized in June and applications accepted. First awards will be early fall. It is likely construction will be in 2010. Stimulus projects will complete segments of the western corridor (Rutland to Burlington). There will be a continuing reporting requirement, such as information on the length of time before other improvements are made and on-time performance issues if applicable. NECR, Washington County Railroad, Maine-Montreal, and St. Lawrence & Atlantic all have requests for funds.

Chris Andreasson asked about potential benefit to freight. Charlie Miller said there is \$8 billion for passenger rail and another pot of money for freight. Jeff Munger clarified the money is only for capital expenditures.

Carl Fowler asked about completion of 286,000 pound rail capacity. Rob Ide stated the upgrade will allow passenger rail service. The Middlebury spur is outside of the conversation of passenger rail service. Mr. Fowler urged using innovative, advanced non-infrastructure based signal systems to help increase speed of trains on the line in the future. Money for the high speed rail could be applied.

Dave Wulfson observed there appears to be no match money in the 2010 budget. Robert Ide said the state is keeping an open mind. The situation is fluid. It is recognized there will be challenges.

It was announced Karen Rae from NY is going to the FRA as Administrator of Grants.

MOTION by Dave Wulfson, SECOND by Carl Fowler, to put a priority on the portion of money available to rail to use as match money for application of stimulus money. VOTING: unanimous; motion carried.

Sonny Audette assured the legislature has discussed rail. The bond issue was for three years at \$30 million per year with \$60 million in the last year. Rick Moulton mentioned having 59 mph service to Burlington via new signaling systems. Charlie Miller pointed out the incremental cost is significant. The request for funds could be doubled for one or two frequencies per day at 79 mph. This may not carry enough weight. Also, the cost to maintain the signal system is significant. The FRA may require freight with the cab control system so the cab control system would have to be installed in freight equipment as well. Dave Wulfson noted there are hills on the line that impact speed. Speed on the western corridor needs to be upgraded to 59 mph and running smoothly first, then go to the next level or going farther north to St. Albans can be discussed. Jeff Munger interjected the State of Maine figured it out with the Downeaster service which runs faster than 59 mph and accommodates freight. Charlie Miller pointed out Maine already had a significant system in place and the line is along the coast which is relatively flat. There are four frequencies daily. There were difficult negotiations with the railroad to go from 59 mph to 79 mph. Vermont needs to be realistic in its approach and get service going with good infrastructure first, stressed Mr. Miller. Rick Moulton stated a larger

vision is needed in order to be different from other projects under review. There was further discussion of the next generation of technology for high speed rail. Technology is coming as a mandate to the railroad.

Ted Brady asked about the plan for stimulus funding. Charlie Miller calculated \$126 million is the total amount envisioned for projects including equipment (\$40 million) and \$80 million in capital improvements to the rail system (\$40 million on the western corridor, up to \$7 million each for NECR and ME-Montreal, and the balance for bridges and infrastructure).

8. Status Report on Rail Property Sales

Larry Donna, VTrans Property Management, provided an update on the sale of excess parcels along the rail right-of-way in the state (Washington County, Connecticut River, and Lamoille Valley lines). An extension from the legislature was requested so the land transactions can be cleared up and property lines clearly defined. Encroachment issues and access can then be addressed. The land sales do not generate much revenue and take a long time. The Lyndonville case has been ongoing for the past 30 years. An inventory of state owned railroad rights-of-way is being compiled. Issues include ancient roads, private crossings, and farm crossings.

9. Essex Junction Rail Initiatives

Dave Crawford, Essex Junction Village Manager, spoke in support of upgrading the rail line from Burlington north to Alburgh including upgrade of the Burlington branch. Mr. Crawford reported on progress to date with NECR regarding rail improvements and the multi-use path along the rail line. The Village of Essex Junction and NECR are partnering on the project. The preferred alternative for the \$5.8 million project (\$5.2 million for rail work and \$600,000 for the multi-use path) is to use some of the \$22 million corridor funds or stimulus money. The railroad will match 20%. The right-of-way is owned by the railroad and the project is ready to go with the endorsement and support of VTrans and the Rail Council.

Charles Hunter pointed out the western corridor goes beyond Essex Junction. There are benefits that are gained from the proposal, including 286,000 pound capacity cars traveling into Burlington carrying cement, salt, oil, or other bulk commodities, and connection of the Vermonter to Montreal. Steve Coomes stated NECR has submitted to VTrans for stimulus money a project similar to the initiative proposed by Essex Junction. The main focus of the Essex Junction initiative is between Essex Junction and Burlington (\$2.8 million). The railroad feels the rail improvements should go to the border.

Rick Moulton mentioned the Route 15 study which detailed walkways, bike paths, fencing, a park-and-ride facility, and rail improvements.

Carl Fowler suggested stimulus money be used for the project because of the matching funds from the railroad. Mr. Coombs pointed out VTrans has corridor funds remaining (\$22 million) so the state should contribute to the project. Rob Ide noted the western corridor work is being paid for with federal funding, not state funding. Carl Fowler

stressed the western corridor does not end in Burlington. The corridor ends in Montreal. There is a market for travel from St. Albans to Burlington. The proposed project is a useful catalyst for getting the western corridor work moving forward. Dave Crawford commented Essex Junction is trying to recognize regional planning activities with the project.

Charlie Miller said the best place for the project with regard to rail service is to do a separate application for the multi-use path and submit this with the rail project as an enhancement. Jeff Munger urged doing a single application for all rail projects. The proposal shows full cooperation and coordination with the rail industry in Vermont and the legislature. Carl Fowler stated the priority is to get the train to Burlington because improvement north of there will be squandered. Rick Moulton observed the envisioned gateway is Montreal to Hoosick Jct. Charles Hunter stated the focus is on passenger rail, but freight is mainly what is happening in Vermont. There would be immediate freight benefits with the project.

Robert Ide gave an informal accounting of the SAFETEA-LU funds (\$26.8 million) which is overspent by \$7.6 million excluding an additional \$3.2 million for the purchase of continuous welded rail. The western corridor money includes the Middlebury rail spur. If more projects are added, choices will have to be made. Dave Crawford said the Village of Essex Junction would like to help advocate for a piece of the 'choices'. Chittenden County paid more for fuel because of the cars that go through Essex Junction.

Michelle Boomhower said the CCMPO has not yet considered the project proposed by Essex Junction (TAC to review this month). CCMPO Board will discuss the project at the April meeting and hear input from the VTrans Rail Division. Charlie Moore recalled five years ago the CCMPO was on board with the project.

10. Bridge Bearing Plans

Doug Zorzi, VTrans, reported on bridge bearing projects. The Green Mountain Railroad bearing project needs \$1.1 million, but there is no money in the budget. Vermont Railway had five projects, but the Pittsford bridge and another bridge with serious abutment rehab were pulled out leaving three projects to be worked with \$600,000. Bridge #233 needs \$750,000 worth of work alone so there are significant deficits.

Rick Moulton asked if projects will be re-engineered because they have been on the books so long. Rob Ide stated the projects have been engineered three times already. Mr. Zorzi said bridges are falling apart faster than they can be fixed. Dave Wulfson urged carving out the Green Mountain Railroad bridge to get the work done before the bridge must be taken out of service. Mr. Wulfson referred to the lease between Green Mountain Railroad and the State of Vermont that indicates the state will take care of the bridges so money needs to be found to do the work.

Dave Wulfson requested staff provide the Rail Infrastructure Subcommittee with the estimated cost to fix each bridge and an update on current conditions. Doug Zorzi confirmed there are estimates for each bridge, but the bids are ready to go out so the

information should not be publicized at this point in time. Rob Ide noted the budget presented to the legislature was for \$20 million made up of \$11 million federal dollars and \$9 million state dollars. Revenue to rail is \$750,000. The difference is transportation revenues generated outside the Rail Section.

11. CCMPO Update on Western Corridor Transportation Management Plan

Eleni Churchill gave an update on the western corridor transportation management plan which covers multi-modal transportation (rail, highway, public transit, air). The study began in August, 2007. The mission is a long term unified vision for the transportation corridors in Vermont. There must be a balance of the various modes of transportation. Completion target date is June, 2009. The existing conditions report is on the website. A future conditions report based on no action taken is also posted on the website. Strategies to address issues will be developed. A vision statement has been drafted as well as goals, objectives, and draft strategies. Next steps include holding focus groups in early April to discuss strategies and get feedback from stakeholders. The vision, goals, and strategies will be refined and an implementation plan developed. The Rail Council will have a formal presentation of the results of the study at the June meeting.

Jeff Munger said his editorial comment is \$500,000 of the western corridor funding for rail was spent on the CCMPO study. Michelle Boomhower explained CCMPO is the project manager for programmatic activity scoped by the state (VTrans and the Secretary of Transportation at the time - Dawn Terrell). There is the opportunity to incorporate the goals and activities of the Rail Council into the report. Chris Jolly, FHWA, noted it is an allowable activity under the law to use earmarked funds for a study.

Paul Craven asked if the state must spend money on multi-modal transportation or if the money can be spent on rail regardless of the results of the study. Eleni Churchill clarified the study defines needs, solutions, and cost estimates, but does not give directives or prioritize projects.

Dave Wulfson stated NECR and Vermont Railways have been working with the study from the start. Mr. Wulfson suggested the state rail plan be attached to the study.

12. Vermont Interactive Television (VIT)

Bob Atchinson explained options for electronic meetings including iLinc web conferencing (\$300/session; have to settle legal issues of public notification and access to meetings) and VIT (\$65 per hour per site; \$20 for each additional site). Presently the cost for each Rail Council meeting is approximately \$1,000.

Dave Wulfson suggested holding the subcommittee meetings electronically as a test before doing the Rail Council meetings. Rick Moulton felt the electronic meetings could augment, but not substitute for the face-to-face Rail Council meetings. Carl Fowler concurred with pursuing iLinc for subcommittee meetings. Mr. Fowler noted he is not submitting his per diem or mileage costs for meetings until the state can afford to pay.

Michelle Boomhower requested notice of subcommittee meetings be sent to the list of interested parties. Subcommittee meetings should be noticed like a public meeting.

13. Other Business

Ethan Allen Express

Carl Fowler extended thanks to VTrans for listening to the Rail Council and the public with regard to maintaining the Ethan Allen Express passenger rail service. VTrans acted professionally, appropriately, and honorably, said Mr. Fowler.

Rail Day

May 9, 2009 is Rail Day in Vermont.

14. Next Meeting/Agenda Items

Next Meeting: June 3, 2009, National Life Building, Montpelier, 1 p.m. – 4 p.m.

Agenda Items:

- Rail Applications for Stimulus Money and Corridor Money
- CCMPO Western Corridor Transportation Management Plan

15. Adjournment

MOTION by Dave Wulfson, SECOND by Chris Martel, to adjourn the meeting.

VOTING: unanimous; motion carried.

The meeting was adjourned at 4:25 p.m.

RScty: M.E.Riordan